

## Message Text

LIMITED OFFICIAL USE

PAGE 01 GENEVA 12541 01 OF 02 211658Z  
ACTION EB-04

INFO OCT-01 SS-14 ISO-00 NSCE-00 INR-05 CIAE-00 SSO-00  
L-01 SP-02 TRSE-00 STR-02 EUR-08 IO-06 COME-00  
LAB-01 SIL-01 AGRE-00 AF-04 ARA-10 NEA-07 EA-06  
DODE-00 H-01 NSAE-00 OMB-01 PRS-01 INRE-00 STRE-00  
OIC-01 /076 W

-----116930 211719Z/45

O 211644Z DEC 77  
FM USMISSION GENEVA  
TO SECSTATE WASHDC IMMEDIATE 4323  
INFO AMEMBASSY BRUSSELS

LIMITED OFFICIAL USE SECTION 01 OF 02 GENEVA 12541

LIMDIS

USMTN

USEEC

PASS STR ELECTRONICALLY FOR AMBASSADORS STRAUSS AND WOLFF  
STATE PASSBARRACLOUGH  
TREASURY PASS BERGSTEN  
COMMERCE PASS WEIL  
LABOR PASS SAMUEL  
USDA PASS HATHAWAY

E.O. 11652: N/A  
TAGS: ETRD, MTN, EC  
SUBJECT: MCDONALD/DENMAN CONVERSATIONS ON DECEMBER 21

1. THE FOLLOWING POINTS OF PARTICULAR INTEREST WERE  
COVERED IN THE COURSE OF THREE SEPARATE CONVERSATIONS  
ON WEDNESDAY:

LIMITED OFFICIAL USE

LIMITED OFFICIAL USE

PAGE 02 GENEVA 12541 01 OF 02 211658Z

A. AMBASSADOR STRAUSS ACCEPTS AND THANKS DENMAN FOR  
HIS GUARANTEE THAT THE EUROPEAN COMMISSION WILL BE  
RECOMMENDING THE 40 PERCENT TARIFF CUT TO ITS COUNCIL  
OF MINISTERS IN THEIR MEETING OF JANUARY 17.

B. CONSEQUENTLY, DIFFICULTIES IN WORKING OUT THE  
SET OF NON-PAPERS POSSIBLY TO BE CIRCULATED BY THE GATT

SECRETARIAT CONCERN ONLY PRESENTATIONAL PROBLEMS FOR THE BENEFIT OF THE FRENCH AND REPRESENT NO CHANGES OR BACKSLIDING BY EITHER THE U.S. OR THE EC ON THE SUB-STANTIVE POSITIONS ALREADY AGREED.

C. CONCERNING THE TARIFF PAPER, THE JOINT SUBSTANTIVE POSITION IS REFLECTED BY THE INITIAL PAPER AS IT STANDS WITH 40 PERCENT IN THE MAIN BODY OF THE TEXT MARKED BY AN ASTERISK REFERRING TO A FOOTNOTE SAYING ONLY "NOT FORMALLY APPROVED." THIS WOULD INDICATE THAT THE COUNCIL OF MINISTERS HAS NOT YET FORMALLY TAKEN ACTION NOR HAS THE TARIFF GROUP FORMALLY APPROVED THIS LEVEL. DENMAN AGREED THAT THIS EXPRESSES THE POSITION OF THE COMMISSION BUT REITERATED THAT THE FRENCH HAVE NOT YET COMMITTED THEMSELVES TO ACCEPT THIS LEVEL OF REDUCTION FORMALLY AT THE JANUARY 17 COUNCIL OF MINISTERS MEETING.

D. MOVING TOWARD ACCOMMODATING THE FRENCH FROM A PRESENTATIONAL POINT OF VIEW, THE U.S. HAD SUGGESTED THAT 40 PERCENT REMAIN IN THE TEXT WITH BRACKETS TOGETHER WITH A FOOTNOTE INDICATING THE FOLLOWING OR SOME NEAR VARIATION, "A NUMBER OF PARTICIPANTS HAVE SIGNIFIED THEIR INTENTION TO TABLE OFFERS ON THE BASIS OF 40 PERCENT; OTHERS HAVE NOT YET TAKEN A POSITION OR FAVOR A LOWER FIGURE."

E. SINCE THE POSITION (D) STILL CONCERNED THE LIMITED OFFICIAL USE

LIMITED OFFICIAL USE

PAGE 03 GENEVA 12541 01 OF 02 211658Z

FRENCH THAT THE QUALIFICATIONS WERE ALL CONTAINED IN THE FOOTNOTE GIVING THE 40 PERCENT THE POSTURE OF A PRIVILEGED HYPOTHESIS IN THE TEXT, THE U.S. COULD RELUCTANTLY ACCEPT FOR PRESENTATIONAL PURPOSES ONLY THE USE OF "X" IN BRACKETS IN THE TEXT WITH A MORE POSITIVE FOOTNOTE READING ONLY "A NUMBER OF PARTICIPANTS HAVE SIGNIFIED THEIR INTENTION TO TABLE OFFERS ON THE BASIS OF 40 PERCENT; OTHERS HAVE NOT YET TAKEN A POSITION." THIS WOULD AT LEAST LEAVE ONLY A SINGLE FIGURE, THE 40 PERCENT, TO BE MENTIONED AND WOULD ALSO AVOID THE SUGGESTION OF ANY LOWER FIGURE BEING UNDER CONSIDERATION.

F. IN ADDITION, SINCE THIS FORM MIGHT IMPLY PRESENTATIONAL IMBALANCE AMONG INTERLINKED FACTORS RELATED TO THE TARIFF DECISION, MCDONALD INSISTED THAT THE U.S. WOULD WANT TO MAINTAIN THIS BALANCE BY ALSO-

(1) PLACING BRACKETS AROUND THE SWISS FORMULA DESCRIPTION IN THE SAME PARAGRAPH, INDICATING THIS DEGREE OF HARMONIZATION IS ONLY TO BE CONSIDERED AT THE 40 PERCENT REDUCTION LEVEL,

(2) PLACING BRACKETS AROUND THE LAST SENTENCE IN

PARAGRAPH 7 RELATING TO CONDITIONALITY,

(3) REMOVING PARENTHESES AROUND THE LAST SENTENCE IN ARTICLE 4 IN THE DRAFT TEXT ON SAFEGUARDS, AND MAKING IT A SEPARATE AND ESSENTIAL PARAGRAPH. PRESENTATIONALLY, THIS SHOULD HELP TO MAINTAIN CLEAR INTERLINKS BETWEEN THESE NEGOTIATING VARIABLES SO THAT NONE OF THEM WOULD APPEAR TO BE A MORE PRIVILEGED HYPOTHESIS THAN ANY OTHER.

2. FURTHERMORE, MCDONALD INDICATED THAT STRAUSS WOULD PROBABLY WANT TO SEND A LETTER TO HAVERKAMP REAFFIRMING THE SUBSTANTIVE UNDERSTANDING BETWEEN THE COMMISSION

LIMITED OFFICIAL USE

NNN

LIMITED OFFICIAL USE

PAGE 01 GENEVA 12541 02 OF 02 211658Z  
ACTION EB-04

INFO OCT-01 SS-14 ISO-00 NSCE-00 INR-05 CIAE-00 SSO-00  
L-01 SP-02 TRSE-00 STR-02 EUR-08 IO-06 COME-00  
LAB-01 SIL-01 AGRE-00 AF-04 ARA-10 NEA-07 EA-06  
DODE-00 H-01 NSAE-00 OMB-01 PRS-01 INRE-00 STRE-00  
OIC-01 /076 W  
-----116928 211720Z /45

O 211644Z DEC 77  
FM USMISSION GENEVA  
TO SECSTATE WASHDC IMMEDIATE 4324  
INFO AMEMBASSY BRUSSELS

LIMITED OFFICIAL USE SECTION 02 OF 02 GENEVA 12541

LIMDIS  
AND THE U.S. AND THE UNDERLYING LINKAGES BETWEEN THE ABOVE NEGOTIATING VARIABLES. THIS LETTER SHOULD BE HELPFUL TO HAVERKAMP IN THE MEETING OF JANUARY 17 TO EMPHASIZE THE IMPORTANCE OF OBTAINING APPROVAL FOR THE 40 PERCENT IF THE OTHER FACTORS OF INTEREST TO EC MEMBER STATES ARE TO BE VIEWED FAVORABLY BY THE U.S.  
MCDONALD

LIMITED OFFICIAL USE

NNN

## Message Attributes

**Automatic Decaptoning:** Z  
**Capture Date:** 01-Jan-1994 12:00:00 am  
**Channel Indicators:** n/a  
**Current Classification:** UNCLASSIFIED  
**Concepts:** MEETING REPORTS, TARIFFS, NEGOTIATIONS  
**Control Number:** n/a  
**Copy:** SINGLE  
**Sent Date:** 21-Dec-1977 12:00:00 am  
**Decapton Date:** 22 May 2009  
**Decapton Note:** 25 YEAR REVIEW  
**Disposition Action:** RELEASED  
**Disposition Approved on Date:**  
**Disposition Case Number:** n/a  
**Disposition Comment:** 25 YEAR REVIEW  
**Disposition Date:** 22 May 2009  
**Disposition Event:**  
**Disposition History:** n/a  
**Disposition Reason:**  
**Disposition Remarks:**  
**Document Number:** 1977GENEVA12541  
**Document Source:** CORE  
**Document Unique ID:** 00  
**Drafter:** n/a  
**Enclosure:** n/a  
**Executive Order:** N/A  
**Errors:** N/A  
**Expiration:**  
**Film Number:** D770476-0111  
**Format:** TEL  
**From:** GENEVA USMTN  
**Handling Restrictions:**  
**Image Path:**  
**ISecure:** 1  
**Legacy Key:** link1977/newtext/t19771232/aaaabayb.tel  
**Line Count:** 163  
**Litigation Code IDs:**  
**Litigation Codes:**  
**Litigation History:**  
**Locator:** TEXT ON-LINE, ON MICROFILM  
**Message ID:** 423116ff-c188-dd11-92da-001cc4696bcc  
**Office:** ACTION EB  
**Original Classification:** LIMITED OFFICIAL USE  
**Original Handling Restrictions:** LIMDIS  
**Original Previous Classification:** n/a  
**Original Previous Handling Restrictions:** n/a  
**Page Count:** 3  
**Previous Channel Indicators:** n/a  
**Previous Classification:** LIMITED OFFICIAL USE  
**Previous Handling Restrictions:** LIMDIS  
**Reference:** n/a  
**Retention:** 0  
**Review Action:** RELEASED, APPROVED  
**Review Content Flags:**  
**Review Date:** 10-Mar-2005 12:00:00 am  
**Review Event:**  
**Review Exemptions:** n/a  
**Review Media Identifier:**  
**Review Release Date:** n/a  
**Review Release Event:** n/a  
**Review Transfer Date:**  
**Review Withdrawn Fields:** n/a  
**SAS ID:** 161466  
**Secure:** OPEN  
**Status:** NATIVE  
**Subject:** MCDONALD/DENMAN CONVERSATIONS ON DECEMBER 21  
**TAGS:** ETRD, MTN, EEC  
**To:** STATE  
**Type:** TE  
**vdkgvgwkey:** odbc://SAS/SAS.dbo.SAS\_Docs/423116ff-c188-dd11-92da-001cc4696bcc  
**Review Markings:**  
Margaret P. Grafeld  
Declassified/Released  
US Department of State  
EO Systematic Review  
22 May 2009  
**Markings:** Margaret P. Grafeld Declassified/Released US Department of State EO Systematic Review 22 May 2009